

APPLICATION FOR LOAN AND GUARANTEE
(Community Programs)

Account Number

General Information: The "Application for Loan and Guarantee" is to provide information needed for the analysis and loan determination process. Tear at perforations for ease in use. For complete guidance, see 7 CFR part 1980, subparts A and I and related RD forms.

Part A – is to be completed by the proposed borrower. The original and two copies with attachments will be submitted to the proposed lender.

Part B – is to be completed by the lender. Upon completion, the original and one copy, including attachments, will be filed with the Rural Development Office.

PART A

Instructions to Proposed Borrower: Complete items 1 through 20. Submit original and two copies of this application and all supporting documents to the lender. If additional space is required, please use an attachment. Additional information may be obtained from any Rural Development Office.

1. NAME: (Show legal name without abbreviations unless the abbreviation is a part of the legal name.)

Street		City		County	
State	ZIP Code	Telephone Number		Amount of Loan Requested \$	
Project Location: City		Population (Last Census)		County	State

2. TYPE OF BUSINESS:	Applicant's Tax Identification Number	SIC Number
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3. THIS PROJECT IS:	Date Established:
<input type="checkbox"/> A new venture <input type="checkbox"/> A new branch of facility <input type="checkbox"/> Refinancing debts	<input type="checkbox"/> Other (Explain) <input type="checkbox"/> An expansion of an existing facility <input type="checkbox"/> Transfer of Ownership

4. HISTORY OF PROJECT - Provide a brief description and history of the proposed project (attach additional sheets if necessary).

5. COMMUNITY BENEFITS - Comment on the benefits the community will receive if the loan is made (i.e., services provided and other benefits).

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0137. The time required to complete this information collection is estimated to average 50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

6. PREVIOUS FEDERAL, STATE, OR LOCAL FINANCING - List assistance received or requested. *(Include direct, participation, insured, or guaranteed loans and grants from any Federal, State, or local sources).*

7. LITIGATION - List the details of any anticipated, pending, or final disciplinary or legal *(civil or criminal)* action against the Proposed Borrower, its offices, employees, or directors acting in that capacity, or its guarantors.

8. NAME OF ATTORNEYS, ACCOUNTANTS, AND OTHER PARTIES - List the names of all attorneys, accountants, appraisers, packagers, agents, and all other parties *(whether individuals, partnerships, associations, etc.)* engaged by, or on behalf of, the Proposed Borrower *(whether on a salary, retainer, or fee basis and regardless of the amount of compensation)* for the purpose of rendering professional or other services of any nature whatever to Proposed Borrowers in connection with the preparation or presentation of this application to a lender. List all fees or other charges or compensation **paid, or to be paid**, for any purpose in connection with this application disbursement of the loan whether in money, or other property of any kind whatever, by or for the account of the Proposed Borrower together with a description of such services rendered or to be rendered with complete justification for such purposes. **NOTE: all fees and charges are subject to RHS review and approval and may, in some cases, be paid out of loan proceeds. (See 7 CFR part 1980, subpart I).**

Name and Address <i>(Include ZIP Code)</i>	Description of Service Rendered or to be Rendered with complete Justification	Total Compensation Agreed to be Paid*	Compensation Already Paid

*Enter specific dollar amounts or hourly rates. "Unknown," "Undetermined," or other imprecise terms are not sufficient.

9. SUBSIDIARIES AND AFFILIATES - (1) List the name and addresses of all concerns that are subsidiaries, parent organizations, or affiliates of the Proposed Borrower, including concerns in which the Proposed Borrower holds a controlling, *but not necessarily a majority* interest:

- (2) List all other concerns that are in any way affiliated by management contracts, or otherwise, with the Proposed Borrower. The Proposed Borrower should comment briefly regarding the trade relationship between the Proposed Borrower and such subsidiaries or affiliates and if the Proposed Borrower has no subsidiary or affiliate, a statement to this effect should be made. Signed and dated balance sheets, operating statements and reconciliation of net worth (*all not more than 60 days old*) must be submitted for all subsidiaries, parent organizations, and affiliates in the same manner as required of the Proposed Borrower, including any contingent liabilities.

10. PURCHASE AND SALES RELATIONS WITH OTHERS - Does Proposed Borrower buy from, sell to, or use the services of, any concern in which an officer or director of the Proposed Borrower has a substantial interest? ☐ Yes ☐ No If "Yes", give names of such officer or director, names of such concerns and explain the nature of the transactions.

11. RECEIVERSHIP - BANKRUPTCY - Has the Proposed Borrower, its officers, directors, guarantors or any affiliates or any other concern with which such person has been connected ever been in receivership or filed bankruptcy? ☐ Yes ☐ No If "Yes", give names, dates and details.

12. DISCLOSURE OF SPECIAL INFORMATION REGARDING PRINCIPALS - (a) List below the names of any Rural Development employees who are related by blood, marriage, or adoption, or who have any present or have had any past, direct or indirect, financial interest in, or association with, the Proposed Borrower or its officers, directors or employees, with relevant information; (b) When an officer, director or employee, or their spouse, is also an employee of the U.S. Government, including members of the armed forces, you must provide detailed information regarding that relationship. Check the following appropriate boxes if either item 12(a), 12(b), or both are inapplicable. ☐ (a) ☐ (b)

NAMES AND ADDRESS (<i>Include ZIP Code</i>)	Details of Relationship or Interest

13. REGULATORY AGENCIES - List all regulatory agencies (*National, State, or Local*) that regulate this business or project and explain if there are any anticipated or pending matters with such regulatory agencies. Indicate if permits, licenses, zoning or other official approval is necessary and the status of that approval.
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14. INSTRUCTION TO PROPOSED BORROWER. Attach to this application the following supporting documents:

- (a) If not already submitted, comments from state and local governments.
- (b) Form RD 1940-20, "Request for Environmental Information."
- (c) Evidence whether the project is located in a flood or mudslide hazard area.
- (d) If loan is in excess of \$100,000, provide certification and notices as required for the Clean Air Act and Water Pollution Control Act.
- (e) Cost estimates.
- (f) If applicable, appraisal reports.
- (g) If construction is involved, provide applicable equal opportunity and nondiscrimination forms.
- (h) If applicable, copies of building permits and any necessary certifications or recommendations from appropriate regulatory or other agencies having jurisdiction over the project.
- (i) When required, financial feasibility study.
- (j) Financial data for new or existing businesses as required.
- (k) If applicable, Preliminary Engineering Report.
- (l) If construction is involved, final plans and specifications must be submitted to the lender for approval prior to the commencement of construction. Architectural or engineering plans, if applicable, need to be attached.
- (m) If application is for a health care facility, attach a "Certificate of Need" from the appropriate regulatory agency having jurisdiction over the project.
- (n) Document availability of utilities with letter of commitment from utilities, energy, water, sewer, fire and police protection.

15. POLICY AND REGULATIONS CONCERNING REPRESENTATIVES AND THEIR FEES:

- (a) A Proposed Borrower may obtain the assistance of any attorney, engineer, appraiser, or other representative to aid it in the preparation of its application. However, such representation is not mandatory. In the event a loan is approved, the services of an attorney may be necessary to assist in the preparation of closing documents, title examination, etc.
- (b) There are no "authorized representatives" of Rural Development, other than our regular salaried employees. Payment of any fee or gratuity to Rural Development employees is illegal and will subject the parties to such a transaction to prosecution.
- (c) RHS will not approve placement or finder's fees for the use, or attempted use, of influence in obtaining or trying to obtain a loan.
- (d) Fees which will be approved will be limited to reasonable sums for services actually rendered in connection with the application or the closing, based upon the time and effort required, and the nature and extent of the services rendered by such representative.
- (e) It is the responsibility of the Proposed Borrower to set forth in Section 10 of this application the names of all persons or firms engaged by, or on behalf of, the Proposed Borrower. Proposed Borrowers are also required to advise RHS in writing of the names and fees of any representatives engaged by the Proposed Borrower subsequent to the filing of the application. Failure to so notify RHS constitutes "misrepresentation" and will cause RHS to contest the guarantee if lender had knowledge of this omission.
- (f) Any Proposed Borrower having any question concerning the payment of fees, or the reasonableness of fees, should contact RHS before the application is filed for a loan guarantee.

16. AGREEMENT OF NONEMPLOYMENT OF RURAL DEVELOPMENT PERSONNEL. In consideration of RHS guaranteeing any part of the requested loan, the Proposed Borrower hereby agrees with Rural Development that Proposed Borrower will not, for a period of two years after date of guarantee of any part of the loan, employ or tender any office or employment to, or retain for professional services, any person who, on the date of such guarantee, or within one year prior to said date, (a) shall have served as an officer, attorney, agent, or employee of Rural Development and (b) as such, occupied a position or engaged in activities which Rural Development determines, or may determine, involved discretion with respect to the granting of assistance under the Consolidated Farm and Rural Development Act and other relevant acts.

17. CERTIFICATION - The Proposed Borrower hereby certifies that:

- (a) The Proposed Borrower has read RHS policy and regulations concerning representatives and their fees (*15 above*) and has not paid or incurred any obligation to pay, directly or indirectly, any fee or other compensation for obtaining the loan hereby applied for other than for services and expenses authorized pursuant to paragraph 15 above.
- (b) The Proposed Borrower has not paid or incurred any obligation to pay any Government employee or special Government employee any fee, gratuity or anything of value for obtaining the requested assistance. If such fee, gratuity, etc. has been solicited by any such employee, the Proposed Borrower agrees to report such information to the Office of Inspector General, USDA, Washington, D.C. 20250.
- (c) Information contained above and in exhibits attached hereto are true and complete to the best knowledge and belief of the Proposed Borrower and are submitted for the purpose of requesting RHS to guarantee a loan by a lender to the Proposed Borrower. Whether or not the loan herein applied for is approved, the Proposed Borrower agrees to pay or reimburse the lender for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed by nonlender personnel with consent of the Proposed Borrower.
- (d) The Proposed Borrower hereby covenants, promises, agrees and gives herein the ASSURANCE that in connection with any loan to the Proposed Borrower which RHS may guarantee as a result of this application, it will COMPLY with the requirements of Executive Order 11245 regarding Equal Credit Opportunity. Proposed Borrower further agrees that in the event it fails to comply with said applicable provision, RHS may cancel, terminate, accelerate repayment of, or suspend in whole or in part, the financial assistance provided or to be provided by RHS, and that RHS or the United States Government may take any other action that may be deemed necessary or appropriate of this ASSURANCE OF COMPLIANCE. These requirements prohibit discrimination on the basis of race, religion, color, sex, marital status or national origin of recipients of Federal financial assistance, including, but not limited to, employment practices, and require the submission of appropriate reports and access to books and records. These requirements are applicable to all transferees and successors in interest.

NOTICE: In accordance with 5. U.S.C. 552a, the Privacy Act of 1974, any individual should be provided a copy of Form RD 410-9, "Statement Required by the Privacy Act," at the time this application is completed.

The Proposed Borrower hereby agrees to provide the lender and RHS timely periodic financial statements as required including the annual audited financial statement required by RD Instructions and in accordance with OMB Circular A-128. Failure to provide such reports will be considered a default of the loan in accordance with Form RD 449-35, "Lender's Agreement", which is a part of 7 CFR part 1980, subpart I.

WARNING: Section 1001 of Title 18, United States Code provides ". . . Whoever, in any matter within jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully - (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry; shall be fined under [this title] or imprisoned not more than 5 years, or both."

Misrepresentation of material facts may also be the basis for denial of credit by the Rural Housing Service.

*Proposed Borrower Name:

CORPORATE SEAL

By _____

Title _____

Attest: _____

Date Signed: _____, 19 ____

Proposed Borrower's Contact Person

(Title)

Name

Address

*(Individual, general partner, trade name, or corporation name).

Telephone

PART B

INSTRUCTIONS: Lender completes items 18 through 28 and submits the original and one copy of this application and all supporting documents to Rural Development.

18. REQUEST FOR GUARANTEE:

(For use only by lender)

LENDER TAX IDENTIFICATION

NO. _____

We propose to make and service a loan to the Proposed Borrower named on page 1 of this application. We request an RHS loan guarantee subject to the provisions of the applicable RD Instructions.

TERMS AND CONDITIONS OF LOAN:

Percent of Guarantee Requested _____ %

<u>Type</u>	<u>Amount</u>	<u>Terms (yrs)</u>	<u>Interest*</u>	<u>Monthly Payments</u>
Land	\$ _____	_____ yrs.	_____ %	\$ _____
Buildings	\$ _____	_____ yrs.	_____ %	\$ _____
Machinery & Equipment	\$ _____	_____ yrs.	_____ %	\$ _____
Other _____	\$ _____	_____ yrs.	_____ %	\$ _____
TOTAL	\$ _____			\$ _____

***If the rate is variable, place a "v" after the rate and identify the base rate used and what interest differential is added to base rate. If multi-rates are used, provide the overall effective interest rate for the entire loan: _____%. NOTE: Guaranteed borrowers must have the right to prepay their loans. Prepayment penalties are permitted if reasonable and approved by RHS. Attach an amortization schedule for each loan.**

19. (a) SOURCE AND USE OF FUNDS: Loan funds will be disbursed and used for the following purposes, in the following amounts.

Building and Improvements	\$ _____	Machinery and Equipment	\$ _____
Land and Rights	_____	Contingencies	_____
Legal and Engineering Fees	_____	Debt Refinancing*	_____
Other Fees (List below)	_____	Other (Specify) _____	_____
Interim Interest	_____		
			\$ _____

***Attach complete justification for the request (include long and short term debt) (See 7 CFR 1980.813(b)(3)(vi).**

- (b) Describe in detail the source and use of funds from (a) above and the amount and source of any other project funds indicating for each source, other than this loan, whether the amounts are proposed, committed, or definite.

20. COLLATERAL AND LIEN POSITION: Describe the proposed loan collateral in detail, including whether now owned or to be acquired. For organizations pledging real estate or chattel as security, use Form RD 449-2 with appropriate appraisal reports and indicate any prior liens that may exist on the collateral. For public bodies, provide a statement describing the type of security offered.

21. PLANNED DISBURSEMENTS: Record plans for distributing the loan.

22. INSURANCE: (List requirements for Life, Hazard, Federal Flood, Liability, and Fidelity Bond if required).

23. COMMENTS OF LENDER: *(Attach additional sheets, if necessary).*

- (a) Evaluate Proposed Borrower's management, past record, repayment ability and other financial analysis. *(Attach any credit reports obtained on the borrower).*

- (b) State whether any officer, director, or employee of the lender has a financial interest in the Proposed Borrower or vice versa. If so, give details:

- (c) Is Proposed Borrower indebted to lender? ☐ Yes ☐ No If yes, provide history of debt repayment and other details:

- (d) List all fees and charges for the loan, including those for preparation of application, servicing, etc. Indicate whether the guarantee fee will be passed on to the Proposed Borrower.

- (e) Provide loan servicing plans, including field inspections, frequency of obtaining periodic and annual financial statements and their analysis, use of correspondents or other outside consultants, location of office servicing the loan, and compliance with servicing responsibilities set forth in the "Lender's Agreement," Form RD 449-35.

24. LOAN AGREEMENT: Attach proposed lender and borrower loan agreement.

25. LENDER'S EXPERIENCE WITH RURAL DEVELOPMENT :

- (a) Have you made any loans guaranteed by Rural Development or Farm Service Agency? ☐ Yes ☐ No
 If yes, check program area: ☐ Farmer Programs ☐ Rural Housing ☐ Business and Industry ☐ Community Programs.
- (b) If Proposed Borrower has or had a loan with you, has such loan appeared in regulatory examination report?
☐ Yes ☐ No If yes, explain.

- (c) Have you ever been debarred from participation in RHS programs? If yes, explain.

26. Verify and comment on Proposed Borrower's debt schedule:

27. PLANS FOR CONSTITUTING THE LOAN: (See Form RD 449-35, "Lender's Agreement," paragraph III A).

- (a) Will retain entire loan ☐ Yes ☐ No
- (b) Will utilize secondary market for guaranteed portion (Indicated by check).
 Assignment _____ Participation _____ Multi-note _____
- (c) Participation of unguaranteed portion ☐ Yes ☐ No
 (Lender must retain 5% of the unguaranteed portion of loan in its portfolio).

28. OPINION: In our opinion, the loan has repayment ability, appears feasible and all requirements in 7 CFR part 1980, subparts A and I will be met.

WARNING: Section 1001 of Title 18, United States Code provides ". . . Whoever, in any matter within jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully - (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry; shall be fined under [this title] or imprisoned not more than 5 years, or both."

Misrepresentation of material facts may also be the basis for RHS not issuing a Loan Note Guarantee.

LENDER:

Contact Person _____

Telephone Number _____

Date _____, 19 _____

By: _____

Authorized Officer

Title

Used to determine an applicant's
eligibility for a guaranteed loan.

(see reverse)

PROCEDURE FOR PREPARATION : RD Instructions 1980-A and 1980-I.

PREPARED BY : Proposed borrower and lender.

NUMBER OF COPIES : Original and two copies.

SIGNATURE REQUIRED : Proposed borrower and lender.

DISTRIBUTION OF COPIES : When Part A is completed by proposed borrower, original and two copies with attachments will be submitted to lender. When Part B is completed by Lender, original and one copy with attachments will be filed with field office.